

General Statement

I. HIGHLIGHTS OF THE BUREAU OF LAND MANAGEMENT 2005 BUDGET REQUEST

Summary of Funding Request – The 2005 President's Budget Request for the BLM is \$1,759 million in current appropriations, an increase of \$64.5 million over the 2004 enacted level. This request provides net increases of \$8.3 million, or 0.9 percent, for BLM's operating accounts, and \$58 million, for wildland fire management, to allow the BLM to address its highest-priority needs and commitments. The BLM total also reflects an increase of \$5.6 million in land acquisition and a reduction of \$7.3 million in construction. Uncontrollable cost increases total \$24.6 million, of which \$11.5 million are budgeted and \$13.1 million are absorbed.

BLM 2005 Request - Summary by Appropriation

Appropriation	2004 Estimate \$000	2005 Request \$000	Change from 2004 Estimate \$000
Management of Lands & Resources	839,843	837,462	- 2,381
Central Hazardous Materials Fund	9,855	9,855	+ 0
Construction	13,804	6,476	- 7,328
Land Acquisition	18,371	24,000	+ 5,629
Oregon & California Grant Lands	105,358	116,058	+ 10,700
Range Improvements	10,000	10,000	+ 0
Miscellaneous Trust Funds (indefinite)	12,405	12,405	+ 0
Subtotal, Appropriations without fire	1,009,636	1,016,256	+ 6,620
Wildland Fire Management	783,593	743,099	- 40,494
Fire repayment (2004 BA)	-98,416	0	+ 98,416
Wildland Fire Management subtotal	685,177	743,099	+ 57,922
Totals	1,694,813	1,759,355	+ 64,542

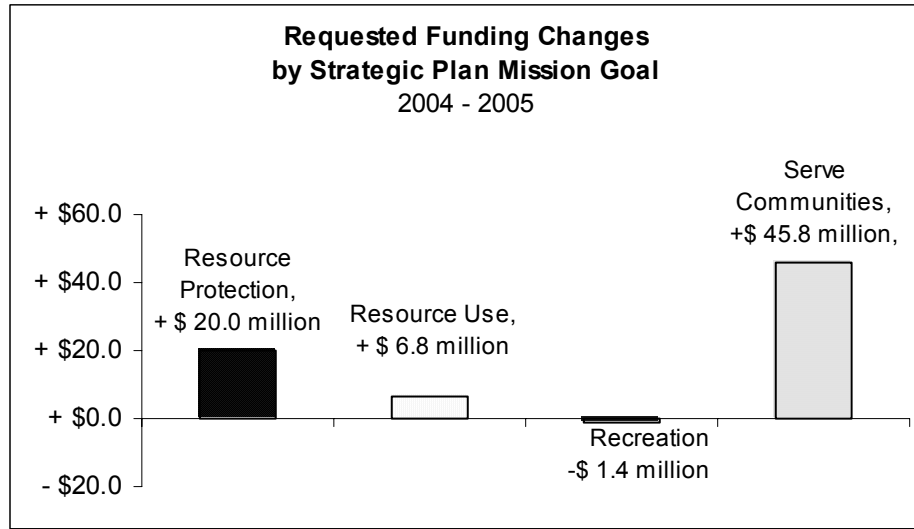
The BLM is embarking on several major initiatives that will be funded through a combination of increased appropriations and the reprioritizing of work and refocusing of funds. The major emphases within the Management of Lands and Resources and Oregon and California Grant Lands accounts include the following: The Budget Request proposes a total increase of \$12.8 million for the Wild Horse and Burro program, of which \$10.5 million would be reallocated from other resource management programs, to implement a long-term strategy to achieve and maintain Appropriate Management Levels, reflecting the determination that reaching AML is the one of the best ways to reduce resource impacts to public lands. An increase of \$4.2 million is proposed to expand and accelerate BLM's efforts in support of sage-grouse habitat conservation and restoration of Columbia River fisheries. An increase of \$4.0 million is

proposed to strengthen BLM's resource monitoring capabilities. The Budget Request provides an additional \$4.8 million for BLM's Challenge Cost Share program. The Budget Request also targets \$12.0 million of new and refocused base funding at improving forest health and implementing the Northwest Forest Plan's timber production goals, and an additional \$1.0 million for stewardship contracting in all areas of the country. Finally, an additional \$2.5 million is requested to reimburse the Judgment Fund for timber-related claims. An increase of \$2.9 million is requested for various information technology and management improvements.

The Budget Request proposes to offset the \$10.5 million increase for the Wild Horse and Burro program by reducing programs that will benefit from achievement of the AML and by reducing lower-priority programs and activities. In addition, decreases totaling approximately \$19.5 million are made possible by funding Alaska Conveyance and several other programs at levels comparable to those proposed in the 2004 request. The Budget Request also reflects a reduction of \$4.0 million in the Energy and Minerals program that will be offset through increased cost recoveries.

The complexity of the BLM's multiple-use mission can be seen in the distribution of funding by the mission goals of the Department's Strategic Plan, with \$356.4 million of the total BLM budget request dedicated to Resource Use, \$410.8 million for Resource Protection, \$70.3 million for Recreation, and \$947.9 million to Serve Communities.





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II. MAJOR CHALLENGES / MAJOR INITIATIVES FOR THE BLM

The BLM manages 261 million acres of public lands in the western U.S. and Alaska, and 700 million acres of subsurface mineral estate. Included in BLM's responsibilities are approximately 86 million acres and unique programs in Alaska. These lands are shown by the maps on the following pages. The public lands managed by BLM have many diverse characteristics and diverse uses — energy and mineral production, habitat conservation, recreation areas, wildlife habitat, cultural resource protection, and Wilderness Areas. The public lands produced 40 percent of the Nation's coal, 11 percent of the natural gas, and five percent of its oil in 2002. The public lands comprise some of the most ecologically diverse wildlife habitat on Federal lands, supporting over 3,000 species of big game, waterfowl, shorebirds, reptiles, amphibians, and non-game birds and mammals, and provide habitat for the largest number of fish and wildlife species of any single Federal agency. The public lands also provide crucial transportation, communication, and energy transmission corridors. The BLM manages 570 recreation fee sites, 2,910 non-fee recreation sites, 546 campgrounds, 130 boat ramps, 127 interpretative centers or visitor contact stations, 4,009 buildings, 687 administrative sites, 78,123 miles of roads, 15,457 miles of trails, 896 bridges and 535 dams.

In addition to providing many intangible benefits, the public lands generate revenues that benefit the entire Federal government and the many States in which the BLM operates. In 2005, the public lands will generate an estimated \$3.6 billion from various sources, including mineral leasing receipts, grazing fees, timber sales, and recreation use fees. Approximately 40 percent of these receipts are shared with States and counties, with the balance going to the miscellaneous receipts of the Treasury or being retained by the BLM to support associated program operations. Many of the receipts collected and distributed by the BLM are a significant source of support for rural communities in the western U.S. For example, the BLM will distribute \$149.3 million to the State of Nevada and the Southern Nevada Water Authority in Nevada from the proceeds of sales of public lands near Las Vegas, Nevada. The BLM's contributions to State and local economies go well beyond revenue sharing; local communities derive significant economic benefits from resource development, resource conservation, recreation, and tourism on the public lands. The BLM's continuing focus on energy development as part of the President's National Energy Policy has brought economic benefits to Wyoming's Powder River Basin and other areas of increased energy development. The BLM's National Landscape Conservation System has spurred increased tourism and resulting economic benefits.

The BLM's mission is to manage the public lands to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations. Most public lands are managed for multiple uses, as mandated by the *Federal Land Policy Management Act*. The BLM accomplishes this complex multiple-use mission by managing such activities as outdoor recreation, livestock grazing, mineral development, and energy production, and by conserving natural, historical, cultural, and other resources on the public lands. The BLM also provides services to protect the public, such as wildfire management and law enforcement on the public lands.

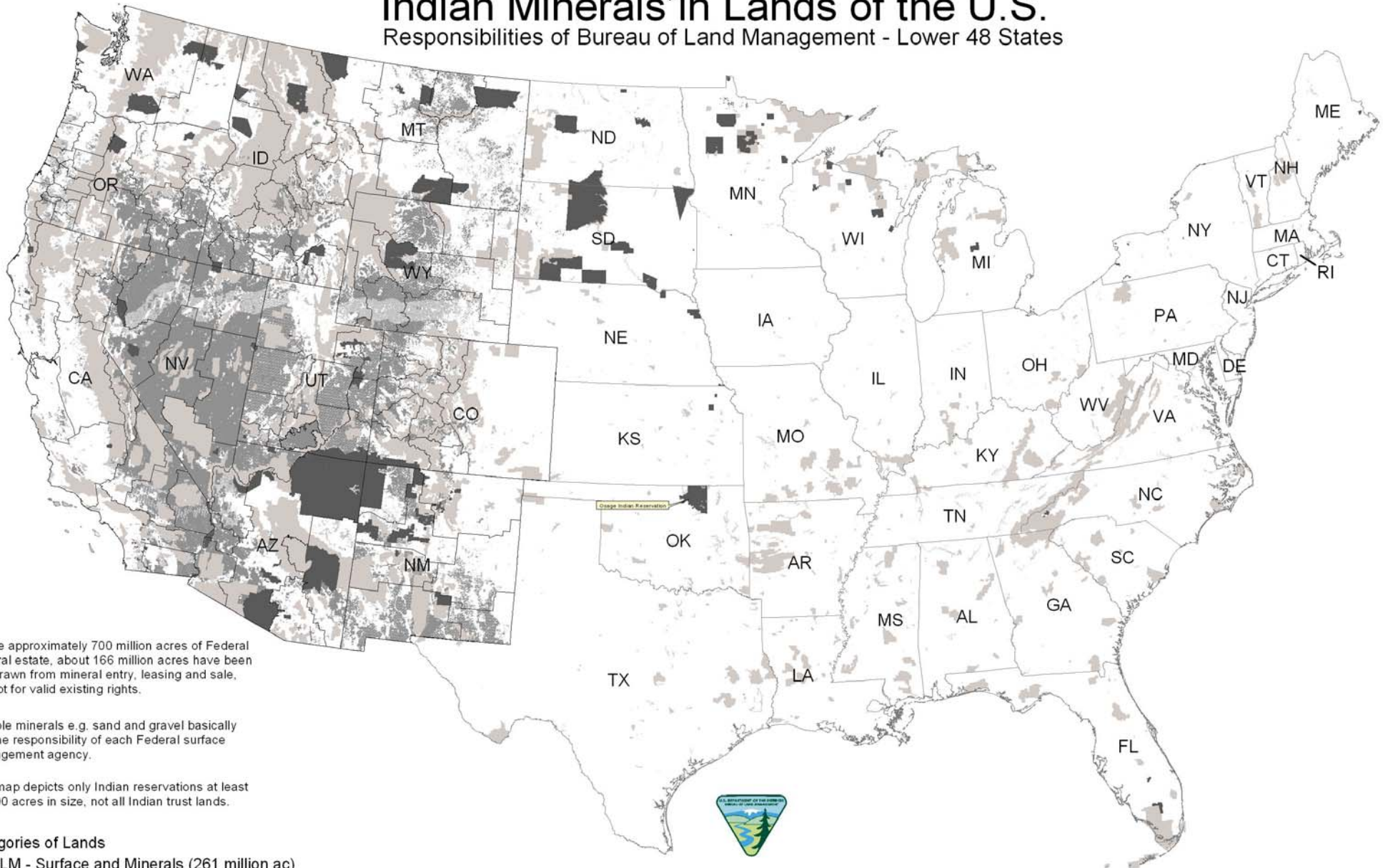
Major Challenges Influencing BLM's Priorities and Mission
Increasing populations in the West creating demands for goods, services and recreation
Satisfying the increasing demands for energy production from public lands.
Maintaining the productivity of the lands while resource conditions are changing.

The BLM faces three main challenges that have a direct influence on the BLM's priorities and mission. First, population growth in the West is increasing dramatically; the population of the 12 western States increased by 27 percent over the last decade, more than twice the national average. Twenty-two million people now live within 25 miles of BLM-managed public lands. Nevada, Arizona, Colorado, Utah, and Idaho lead the nation in both population growth and the percentage of land held in Federal ownership, with most of that land under BLM management. The public lands are important to the quality of life of these new residents and provide important goods and services to these populations. No other single government agency simultaneously satisfies demands for energy, recreation, open space, radio towers, fiber optic cable access, and hiking and biking trails. The public lands also play an important role in conserving and preserving habitats.

The second major challenge facing the BLM is the rapidly increasing demand for energy production from the BLM-managed public lands. The President's National Energy Policy identified a major role for public lands and resources in providing the Nation's increasing energy needs. The BLM will implement this policy to achieve the President's goals of modernizing the Nation's energy infrastructure and increasing energy supplies. BLM-managed public lands provide 11 percent of the Nation's natural gas and five percent of the Nation's oil. The National Petroleum Reserve-Alaska, managed by the BLM on the North Slope of Alaska, is expected to provide substantial new oil and gas production in the future. The BLM expects increasing demand in 2005 for applications for permits to drill, especially for coalbed natural gas in the Powder River Basin in Wyoming and Montana, the San Juan Basin in New Mexico and Colorado, and the Uinta and Piceance basins in Utah. In 2003, the BLM completed the *Energy Policy and Conservation Act* inventory of five basins in the West, which estimates the reserves of oil and gas in the basins and discusses the extent and nature of limitations to development. The BLM will complete the second phase of the EPCA study in 2005.

Public Lands, On-Shore Federal and Indian Minerals* in Lands of the U.S.

Responsibilities of Bureau of Land Management - Lower 48 States



* Of the approximately 700 million acres of Federal mineral estate, about 166 million acres have been withdrawn from mineral entry, leasing and sale, except for valid existing rights.

* Salable minerals e.g. sand and gravel basically are the responsibility of each Federal surface management agency.

* The map depicts only Indian reservations at least 23,000 acres in size, not all Indian trust lands.

Categories of Lands

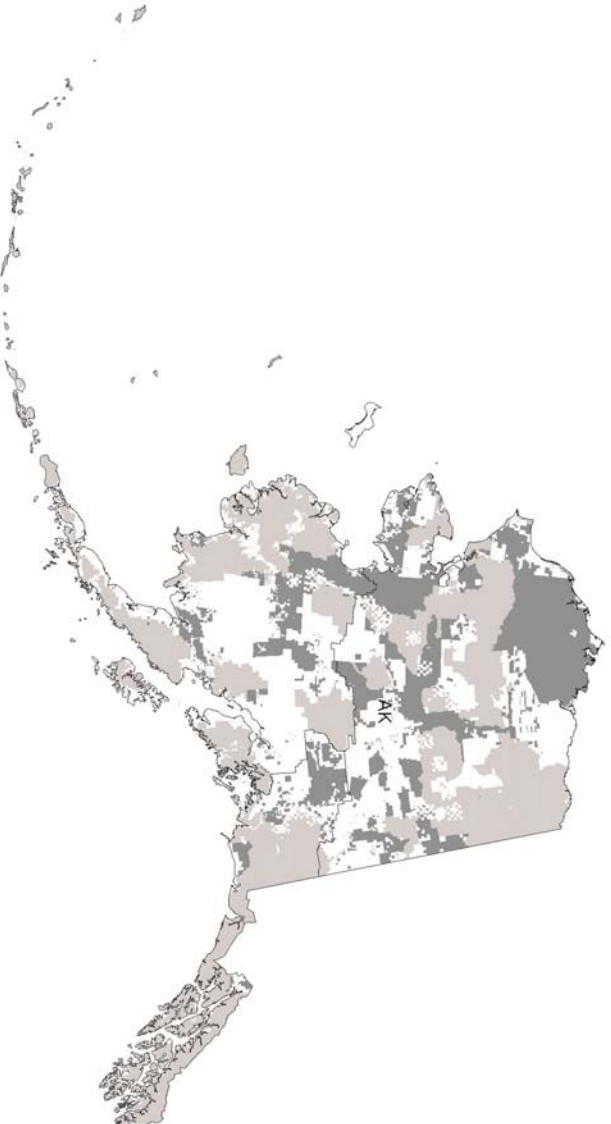
- BLM - Surface and Minerals (261 million ac)
- Other Federal Lands - Minerals (380 million ac)
- Non-Federal Surface (includes 58 million ac of Split - Estate Federal Minerals)
- Indian Trust Lands (56 million ac) except Mineral Operations for Osage Minerals
- BLM Administration Boundaries

No warranty is made as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification.

Produced By :
WO-210, Leonard Gore, Jr. (Graphics)
WO-300, Sie Ling Chiang (Data)
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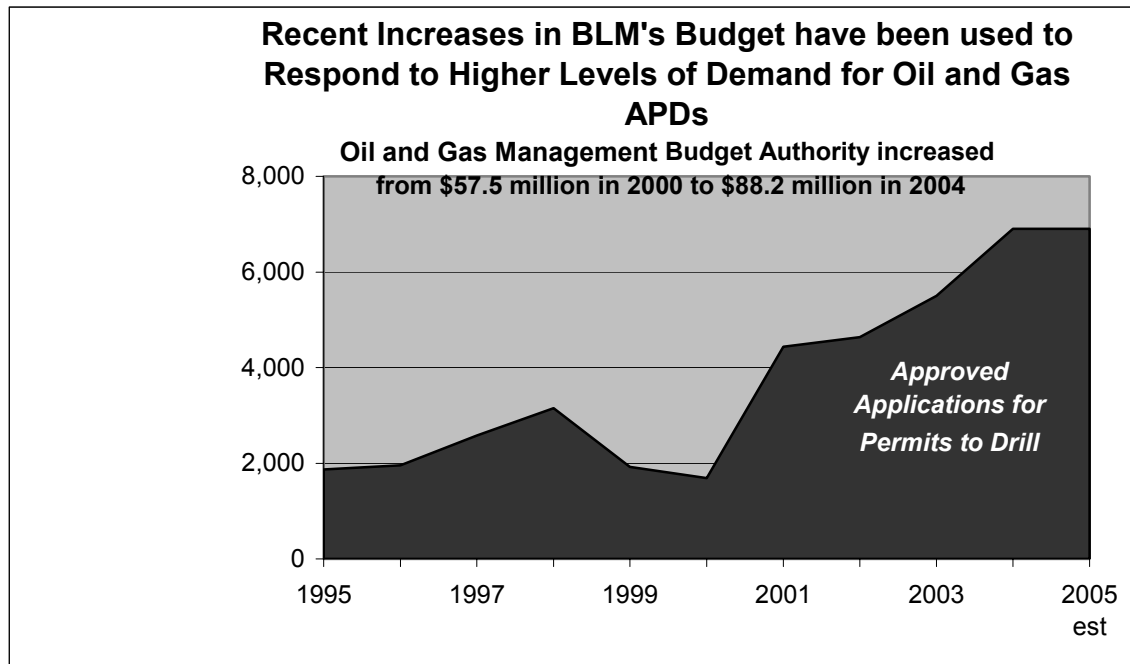
Public Lands, On-Shore Federal and Indian Minerals* in Lands of the U.S.

Responsibilities of Bureau of Land Management - Alaska



NOTE:

The Federal lands in Alaska shown here include about 20 million acres (as of FY 2000) of Native and State selected lands yet to be conveyed out of Federal ownership.



The President's National Energy Policy also encourages renewable energy resource development as part of the strategy to diversify domestic energy supplies, and several States have enacted legislation requiring 10 to 20 percent of power be generated from renewable energy sources. Development of wind, solar, and geothermal energy sources on BLM lands is an important component of the Nation's renewable energy supplies. The public lands also provide critical transportation corridors for the transmission of energy through pipelines and electric transmission lines. These needs present a major challenge for the BLM.

The third major challenge to the BLM is the changing resource condition on the public lands. These changing resource conditions present a major challenge for the BLM in meeting its mission to maintain the productivity of the land for all users. For example, major droughts, increased development on private lands near the public lands, altered fire regimes, and the increasing numbers of invasive species that disrupt the proper functioning of ecosystems cause changes in resource conditions on public lands. The BLM must respond to these changes in order to sustain the health, diversity, and productivity of the public lands for present and future generations.

These major challenges create a number of demands for the BLM. All increase the pressure on the BLM to maintain its resource base by maintaining, restoring and improving the health of the land and by maintaining and improving its facilities. These challenges also present the BLM with the demand for a wide variety of requests for the use of the public lands and services provided on public lands. Some of these demands include increased use of public lands for energy development, commercial uses, recreation sites, dispersed recreation, fire suppression, law enforcement, and cadastral surveys of the boundaries between Federal and private lands.

Finally, all three of these challenges create a need to revise land use plans and monitor the effectiveness of the implementation of the land use plans, on an on-going basis, as the BLM's land use plans are the basis for all actions taken on the public lands.

BLM'S INCREASING MANAGEMENT RESPONSIBILITIES		
Type of Work	1976 Workload	2003 Workload
Land Actions		
Recreation and Public Purpose Act leases and patents (cases/acres)	16/3,260	28/4549
Land Sales (cases/acres)	79/3,641	142/14,006
Recreation Sites		
Non-Fee Sites	326	2,910
Fee Sites	0	390
Historical and Archaeological Properties		
Properties Recorded	11,076	235,574
Acres Inventoried	1,133,956	14,416,221
Percent of Onshore Oil and Gas from Federal Lands	6% (O&G combined)	11% Gas 5% Oil
Natural Gas Produced (MMCF)	1,080	2,139
Coal Produced on Federal Lands (tons)	54,782,356	438,000,000

The BLM is requesting additional funds for several major initiatives that respond to these demands, which are described below. The BLM is also initiating and expanding cost recovery programs to recover more of the full cost of processing applications for the use of the public lands, which will allow the BLM to improve service. The BLM also closely examines its existing funding and performance, and, when necessary, reallocates funding to the programs or geographical areas of highest demand and need. Finally, the BLM is making more use of partnerships to gain the benefits of increased funding or in-kind contributions of expertise and labor. The BLM is using all of these means to respond to the challenges it faces in 2005 and future years.

The BLM's response to these challenges of increasing population growth, the demand for energy, and the changing resource conditions can be summarized through the following major themes: maintaining and improving the health of the lands and conditions of BLM facilities; addressing the increase in requests for uses and services from the public lands; and developing, amending, and monitoring land use plans. These themes provide the framework for the BLM's 2005 Budget Request and are summarized below. The changes to each program are listed in the program change table included in the General Statement Attachments section, and are more fully discussed in the appropriate subactivity chapters.

BLM's Budget Addresses the Major Challenges	
Budget Themes	Specific Initiatives with Funding Increases
Restoring, Maintaining and Improving the Health of the Lands	Wild Horse & Burro Initiative
	Sage Grouse & Sagebrush Conservation
	Columbia Basin Fish Habitat Restoration
	Challenge Cost Share and Cooperative Conservation Initiative
	Healthy Forests Initiative & Stewardship Contracting
	Wildland Fire Management
Addressing the Increasing Demand for Use Authorizations and Services from the Public Lands	Renewable & Non-Renewable Energy Development
	Customer Service Initiatives
	Law Enforcement
Developing, Amending and Monitoring Land Use Plans for Effective Land Management	Monitoring
	Land Use Planning in Western Oregon

A. Initiatives to Restore, Maintain, and Improve the Health of the Public Lands

Increasing populations, increasing demand for uses and services from the public lands, and changing resource conditions all mandate that the BLM maintain and restore the health of the land. The BLM improves land health through many positive activities, such as restoring streambeds and wildlife habitat, removing excess wild horses and burros, planting seeds, removing invasive weeds and plants, and conducting assessments. One of the BLM's goals in taking these actions is to improve habitats to prevent future listing of species as threatened or endangered, and subsequently allow for the multiple uses of the public lands.

In 2005, the BLM will continue activities to restore, maintain, and improve land health by focusing on several specific areas of high priority for which funding increases are requested. These increases are summarized below.

Wild Horse and Burro Management Initiative — One of the BLM's biggest challenges is managing the increasing population of wild horses and burros, which has an enormous detrimental impact on the public land resources. Through land use planning the BLM has

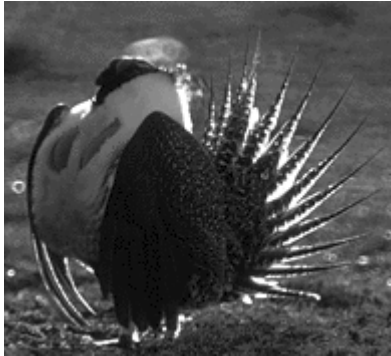
determined that to sustain healthy landscapes and viable horse and burro populations, the maximum number of animals on the public lands at any one time should be approximately 26,400. However, the BLM currently manages approximately 36,000 wild horses and burros on the public lands. Left uncontrolled, wild horse and burro populations double every five years, further worsening conditions. Continuing the program at the current population levels is neither ecologically nor financially sustainable over the long term, and the situation will only worsen if the BLM does not take immediate steps to achieve the appropriate management levels of wild horses and burros. In addition to removing animals from the public lands, the BLM must care for horses that are not adopted, which is costly. In 2003 alone, the BLM spent approximately \$16.0 million for the long-term care and feeding of wild horses and burros, some of which are unadoptable.

The BLM has begun a major initiative to bring wild horse and burro populations to the appropriate management level of 26,400 animals in two to three years. Part of this initiative includes increasing the rate at which animals are adopted, which will allow the BLM to reduce the number of animals in long-term holding facilities. Fewer horses in long-term holding facilities will allow the BLM to use funds for removal of additional horses. The initiative includes increases in funding and major management improvements and efficiencies.

In 2005, the BLM proposes to reallocate \$10.5 million in funds from other BLM programs to the Wild Horse and Burro Management program. The BLM used its cost management data to develop both a reliable estimate of the costs for removing and caring for the additional animals, and to determine the specific impacts to the programs from which the funds are being reallocated, and has made a determination that the benefits of reaching and sustaining populations at AML outweigh the impacts from reductions to other programs. The budget also proposes a legislative change to the *Southern Nevada Public Land Management Act* to allow funding allocated for conservation initiatives in Clark County, Nevada, to be used for wild horse and burro management operations throughout the State of Nevada. Sustainable management of wild horses and burros at appropriate management levels will require several years of increased funding but will decrease after the BLM achieves appropriate management level, and as natural mortality occurs in long-term holding facilities.

Sage-Grouse and Sagebrush Habitat Conservation and Restoration Initiatives — The Sage-Grouse is a wide-ranging species that inhabits approximately 30 million acres of BLM-managed lands, approximately half of its remaining habitat. Sagebrush habitat is key to the long-term survival of the sage-grouse and supports a number of species, including other at-risk species such as the pygmy rabbit, sage thrasher, Brewer's sparrow, and sage sparrow. Over the last two centuries, roughly half the historical sagebrush habitat has been lost to agricultural conversion, invasion by exotic weeds, roads, and urban development. The U.S. Fish and Wildlife Service has received multiple petitions to list the sage-grouse as threatened or endangered under the *Endangered Species Act*. A listing of this species would pose a serious threat to the BLM's ability to manage the public lands for multiple-use purposes, possibly restricting activities such as energy development, mining, grazing, and even recreation; these restrictions could have devastating economic consequences on local communities. By taking aggressive management actions to improve land health by conserving and restoring habitat for sage-grouse and other sagebrush-dependent species, the BLM can assist in curbing the decline of this species and prevent listing of the species. The requested increase of \$3.2 million will

allow the BLM to implement actions to improve habitat for the sage-grouse and the other species dependent on sagebrush ecosystems.



The greater sage grouse is at-risk of being Federally listed. One of the BLM's priorities in 2005 is sagebrush steppe restoration.

The BLM will complete a national Sage-Grouse Habitat Conservation Strategy in the Spring of 2004. The Strategy will provide consistent guidance for land use plans to BLM State Offices with sage-grouse habitat. A BLM interdisciplinary team developed this Strategy in close coordination the U.S. Fish and Wildlife Service, the U.S. Forest Service, the Western Association of Fish and Wildlife Agencies, and many other groups. There are five major goal areas of the Sage-Grouse Habitat Conservation Strategy:

- Develop a consistent and effective management framework for addressing conservation needs of sage-grouse on public lands.
- Increase BLM's understanding of resource conditions and priorities for maintaining and restoring habitat.
- Expand available research and information that supports effective management of sage-grouse habitat.
- Develop partnerships to enhance effective management of sage-grouse habitats.
- Ensure leadership and resources are adequate to implement national and State-level sage-grouse habitat conservation strategies.

Sagebrush habitat is also home to 300 other species of plants and animals that are at risk and in need of additional conservation efforts. For this reason, the BLM is also focusing on restoration of the sagebrush ecosystem, as this is key to preventing future listing of threatened or endangered species.

Columbia Basin Fish Habitat Restoration Initiative — In 2005, the BLM will expand its efforts to support the restoration of fisheries in the Columbia River basin by continuing to participate in an interagency effort to implement actions identified in the Columbia River Hydropower System Biological Opinion's Reasonable and Prudent Alternative. The BLM manages hundreds of miles of anadromous fisheries streams in the Columbia River basin, which, combined with acreage managed by the Forest Service, represent some of the best remaining spawning and rearing habitat for Columbia River salmon and steelhead. The BLM proposes an increase of \$1.0 million that will enable the BLM to restore an additional 25 miles of riparian habitat in the tributaries of the Columbia River basin and continue research and restoration efforts, with partners, on fish passage improvements.

Challenge Cost Share and Cooperative Conservation Initiative – The BLM's Challenge Cost Share and Cooperative Conservation Initiative programs leverage appropriated funds with private and State funds to conduct conservation efforts that benefit the public lands. The purpose of the Challenge Cost Share program is to seek cost-shared, results-oriented conservation projects using innovative means or practices that embody Interior Secretary Gale Norton's four C's of cooperation, communication, and consultation, all in the service of conservation. Through partnerships, the BLM manages conservation projects that benefit public

land resources. Typical examples include projects to stabilize and conserve cultural resources; restore streambeds; eradicate noxious weeds or invasive species; monitor wildlife species; manage off-highway vehicle use; enhance recreation sites; and provide educational opportunities. The number of potential partners for Challenge Cost Share projects continues to grow, with over 100 partnerships with national-level conservation groups, and other partnerships on the local level. In 2003, the BLM funded 486 Challenge Cost Share projects and leveraged \$23.0 million in cash and in-kind contributions of labor and services with \$8.9 million in appropriated funds. BLM also funded 87 Cooperative Conservation Initiative projects and obtained \$10.8 million in cash and in-kind contributions, in addition to the \$5.0 million in appropriated funds.

The work that the BLM and its partners perform through these programs is essential to the BLM's efforts to maintain the health of the lands. The BLM expects to fund a number of Challenge Cost Share and Cooperative Conservation Initiative projects in 2005 to focus on sage-grouse and sagebrush habitat restoration projects. These projects also promote goodwill, better communication, and enhanced collaborative relationships with various people and organizations. The BLM is requesting an increase of \$2.2 million for the Challenge Cost Share program and an increase of \$2.6 million for the Cooperative Conservation Initiative for a total funding of \$21.0 million for the two programs.

Healthy Forests Initiative — Maintaining and improving the health of the forests on public land will be a major focus in 2005. Of the 261 million acres of public lands the BLM manages, one in five acres, or 55 million acres, are forests or woodlands, including 11 million acres of commercial forest and 44 million acres of woodlands within 11 western States and Alaska. An estimated 16 million acres of BLM's forests and woodlands are threatened by unnatural forest conditions. Overstocked forest stands across large contiguous areas lead to significantly increased forest insect and disease activity, catastrophic wildfire conditions resulting in degraded ecosystems both before and after fire, threats to communities, reduced water availability, and loss of critical wildlife habitat. To address these problems, on August 22, 2002, President Bush launched Healthy Forests: An Initiative for Wildfire Prevention and Stronger Communities. This initiative focuses on reducing the risk of catastrophic fire by thinning dense undergrowth and brush in priority locations that are selected through a collaborative process with Federal, State, tribal, and local officials and communities. The Healthy Forests Initiative also provides for more timely responses to disease and insect infestations that threaten forests. The *Healthy Forests Restoration Act*, signed into law by President Bush, on December 3, 2003, gives the BLM additional tools to support the Healthy Forests Initiative. Activities to support this initiative will focus on restoring health of ecosystems, and are also expected to generate forest products, including biomass for energy production.

The BLM is proposing a total of \$4.9 million in new and redirected funds to promote healthy forests in western Oregon. The BLM is requesting an increase of \$788,000 in the Oregon and California Grant Lands appropriation, to be combined with a refocus of \$3.7 million in Jobs in the Woods funds, to increase commercial timber harvest thinning in the Late Successional Reserves of the Northwest Forest Plan area in western Oregon. The BLM plans to prepare an additional 30 million board feet of timber for sale with these funds. This initiative supports the Northwest Forest Plan and the settlement agreement in the American Forest Resource Council v. Clark lawsuit. The increase in commercial timber harvest will result in increased economic

benefits and jobs in timber-dependent communities, and will help promote the development of late-successional growth characteristics by thinning younger stands of trees in the Late Successional Reserves. In addition, the BLM will use \$500,000 of Jobs In the Woods funds to conduct pre-commercial thinning activities in the Late Successional Reserves, which will accelerate attainment of old-growth characteristics.

The BLM is requesting an additional \$1.0 million to promote healthy forests by completing 1,500 acres of forest restoration treatments on public domain lands, using stewardship contracts and other means. An estimated seven million board feet of forest products will be produced with this increased funding, including biomass for energy production. In addition to improving forest health, the projects will provide job opportunities in local communities and should help stimulate the development of markets for the small-diameter wood byproducts and the nascent biomass industry. The BLM will also use a portion of the \$1.0 million increase to build capacity to successfully design and implement stewardship contracts, an authority granted by Congress in 2003. Stewardship contracts are a valuable new tool for restoring forest and woodlands and BLM will expand their use in 2005.

The BLM is also requesting an additional \$2.5 million to begin repaying \$12.3 million owed to the Department of the Treasury's Judgment Fund. The U.S. Treasury paid this amount during 2001 and 2002 to settle 12 timber sales contracts in western Oregon under the *Contract Disputes Act*. These disputes arose during the litigation surrounding the Northern Spotted Owl in 1994 and 1995.

Wildland Fire Management - The Wildland Fire Management program provides the Department of the Interior's funding for fire prevention, fire suppression, fire preparedness, and rehabilitation activities. The program serves communities by funding hazardous fuels reduction projects while restoring the health of forested ecosystems as envisioned by the National Fire Plan, the Healthy Forests Initiative and the *Healthy Forests Restoration Act*. The Federal Wildland Fire Management program is demonstrating positive results witnessed by improved coordination among the various firefighting organizations at the Federal, state and local levels. This has led to stronger fire suppression efforts during the recent severe fire seasons. The 2005 Wildland Fire Management budget will build on these efforts as well as continue to address fuels build-up in the wildland urban interface in order to protect people, property, communities, and resources.

The 2005 budget request for the Wildland Fire Management program includes total programmatic increases of \$55.2 million. The Department is requesting an additional \$25.0 million to address hazardous fuels reduction activities. Of this amount \$12.8 million is for fuels reduction projects on 45,000 acres in the wildland urban interface. This effort is in direct support of the President's Healthy Forest Initiative and the *Healthy Forest Restoration Act*.

The Department will also utilize \$8.0 million of the increase to improve performance and efficiencies in the fuels program by beginning systematic monitoring of projects. The Department, in concert with the U.S Forest Service, will continue development of the LANDFIRE vegetative imaging and mapping technology, a tool that will assist the Fire program in identifying and prioritizing lands most in need of hazardous fuels treatments; the request includes an increase of \$3.7 million for LANDFIRE. The budget request also seeks to improve the performance and effectiveness of the fuels reduction program with a \$500,000 increase for

specialized training and professional development of fuels management specialists. In addition to these increases for the Hazardous Fuels Program, the 2005 Budget Request includes an increase of \$28.6 million to fund emergency suppression and stabilization operations at the 10-year average. An increase of \$6.5 million is also requested for fire preparedness to support improved aviation safety and continued development of the Fire Program Analysis System. The rural fire assistance program is reduced by \$4.9 million to avoid potential overlap with the Federal Emergency Management Administration and Forest Service local fire assistance programs.

B. Initiatives to Address the Increasing Demand for Use Authorizations and Services from the Public Lands.

Increasing population growth in the western U.S. and the increase in demand for energy have resulted in demands for more use authorizations and services from the public lands. The BLM has a major role, and major workload, in implementing the President's National Energy Policy, especially its goal of improving access to the abundant energy resources located on public lands, while continuing to assure the safe, environmentally-sound development of these resources. Additional demands are placed on the BLM for law enforcement on the public lands. And the demands for use authorizations and services mandate that the BLM continue its efforts to improve customer service through E-Government and other automated processes.

BLM-Managed Lands Provide Energy for the Nation	
Type Of Energy	Percent of the Nation's Energy
Geothermal	48
Wind Power	12
Coal	40
Gas	11
Oil	5

Energy Development - In 2005, the BLM will continue to play a major role in implementation of the National Energy Policy. Involvement by the BLM is critical to achieving the President's goals of modernizing the Nation's energy infrastructure, increasing the Nation's energy supplies and accelerating the protection and restoration of the environment. In 2005, building on past years' successes, the BLM will continue processing Applications for Permits to Drill, monitoring to ensure environmentally sound practices, continuing the second phase of the EPCA inventory, analyzing development on the North Slope of Alaska, and working to integrate the findings of the completed EPCA study into BLM land use plans.

The Energy and Minerals program has received significant funding increases in recent years in response to the increasing demand for natural gas, particularly, coal bed natural gas, including increases for processing Applications for Permits to Drill and for inspection and enforcement activities. Funding has increased from \$57.5 million in 2000 to \$88.2 million in 2004.

Oil and Gas Management Program Funding History						
(\$000)	2000	2001	2002	2003	2004 Estimate	2005 Request
Budget Authority	57,543	62,449	76,499	86,122	88,195	85,625
Cost recovery						+3,000
Total Funding	57,543	62,449	76,499	86,122	88,195	88,625

The 2005 Budget Request maintains the significant recent funding increases and capability provided by these increases through a combination of appropriated funds and cost recoveries. The BLM will implement regulations to increase current user fees, primarily for leasing-related actions, to reflect the total cost of the services provided. These regulations are anticipated to raise an additional \$4.0 million in revenues, with a corresponding reduction of \$4.0 million in the Budget Request. The reduction is not anticipated to have an impact on the number of documents processed in 2005 or on significant programmatic outputs.

The BLM also has a major role in developing the Nation's renewable energy sources, through permitting renewable energy development and processing rights-of-ways for renewable energy resources. The 2005 Budget Request includes an increase of \$250,000 to continue studies and processing of applications for wind energy and other renewable energy projects on the public lands. In addition, the request includes an increase of \$550,000 for processing rights-of-way for non-renewable energy projects.

BLM Energy-Related Rights-of-Way Use Authorizations	
Type	Number
Oil and Gas Pipeline Rights-of-Way	24,000 authorizations, totaling over 17,600 miles
Electric Transmission Line Rights-of-Way	13,000 authorizations, totaling over 52,000 miles
Wind Energy Rights-of-Way	61 authorizations and 58 pending applications for site testing and development projects
Ninety percent of the oil and gas pipeline and electric transmission rights-of-way in the West depend on Federal lands.	

Customer Service Initiatives - To efficiently address the increase in demand for use authorizations and services from the public lands, the BLM is engaged in several E-Government and other customer service initiatives. The 2005 budget request includes an increase of \$570,000 for competitive sourcing studies, which should result in more efficient work processes. The request also includes an increase of \$583,000 for several electronic government initiatives, including e-forms, E-planning, and the Quicksilver project. These projects all enhance the availability of information to public land users and facilitate more efficient interaction between

BLM and the users of the public lands. The request also includes an increase of \$1.0 million for the Enterprise Network System.

Law Enforcement - The 2005 Budget Request includes a \$92,000 increase, which, when added to requested increases provided by Congress in 2004, will help the BLM maintain border security efforts on public lands along the border in the Southwest. The BLM will use the funds to prevent illegal activities on public lands, protect natural and cultural resources; prevent the creation of unauthorized roads and trails; prevent vandalism of cultural, recreational and administrative sites; combat the accumulation of trash, human waste and abandoned vehicles along the border; and prevent wildfires. The request also includes an increase of \$508,000 for the BLM's share of developing the Department-wide Incident Management and Reporting System, which will be an important tool in managing law enforcement efforts.

C. Initiatives to Monitor and Develop Land Use Plans for Effective Land Management.

In order to address the demands resulting from increasing populations, increasing demand for uses and services from the public lands, and changing resource conditions, the BLM must develop, amend, and maintain land use plans, land use allocations, and management direction for every land and resource-based action on public lands. The complexity of the demands and the need to address the demands led the BLM in 2001 to begin a major initiative to update and amend land use plans, most of which had been developed in the 1970's and 1980's. Congress has provided significant additional funding for this initiative, and the BLM has made significant progress in updating land use plans. In 2003, the BLM completed 22 land use plans, began a detailed tracking system for time sensitive plans, and developed web-based systems to increase public access to maps and documents during the planning process. In 2004, the BLM plans to complete 10 major land use plans, and 10 major land use plan amendments and to begin the development of 21 new land use plans or major plan amendments.

The BLM will continue this initiative in 2005. The BLM also monitors its activities to determine if the land use plans and the activities they authorize are having the desired effect. Monitoring will be a focus in 2005.

Monitoring - Monitoring is an essential component to effectively managing the public lands and resources. In 2005, the BLM will increase its monitoring activities by \$4.0 million, funded through a requested increase in appropriated funds of \$2.0 million and a redirection of \$2.0 million from land use planning projects. The BLM is developing a comprehensive, nationwide approach to on-the-ground monitoring activities, that will measure the BLM's progress toward meeting Land Health Standards and performance measures in the Department's Strategic Plan relating to resource conditions.

Land Use Planning in Western Oregon – Public lands in western Oregon are covered by six land use plans, which were completed in 1994 as part of the Northwest Forest Plan. These plans provide land use allocations and management direction for all activities on the *Oregon and California Grant Lands Act* lands, including timber management and other activities. In order to settle a long-standing lawsuit, the BLM has committed to revising these land use plans. The 2005 Budget Request includes an increase of \$7.0 million to begin the process to revise these plans. With the requested increase, the BLM will conduct scoping with the public to

identify issues and concerns, prepare data and scientific studies, evaluate the current land use plans, and begin the *Endangered Species Act* consultation process. Outreach to the public will be crucial due to the high level of public interest in this area. Revisions of these plans will evaluate methods to allow increased timber harvest in appropriate areas while protecting species and habitats and accelerating the development of old-growth timber.

D. Other Changes in the 2005 Budget Request

Construction and Maintenance – The 2005 budget includes \$6.5 million for the BLM's construction program, a decrease of \$7.3 million below the 2004 enacted level, and \$4.5 million below the 2004 President's Budget Request. The request will support 16 construction projects in nine States, covering improvements to such facilities and infrastructure as administrative buildings, sanitation systems, roads, bridges, and campgrounds. Site and facility priorities are determined through an aggressive evaluation of applicable health and safety issues, resource protection needs, mission support objectives, and public service goals.

The 2005 BLM request provides \$76.5 million to address critical maintenance needs, including \$11.0 million for deferred maintenance and \$28.2 million for infrastructure improvement. Funding for these projects is prioritized based on the critical health and safety or critical resource protection needs in accordance with the Department's five-year deferred maintenance and capital improvement plan. A total of \$37.2 million is requested for annual maintenance and operations.

Land Acquisition – The 2005 budget proposes \$24.0 million for BLM land acquisition, an increase of \$5.6 million over the 2004 enacted level. The request includes \$19.0 million for line-item projects that will support 14 projects in nine States. The BLM acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects and the use of alternative and innovative conservation tools such as easements and purchases of development rights. The BLM purchases land from willing sellers only.

Central Hazardous Materials Fund – The 2005 budget request continues funding for the Central Hazardous Materials Fund at the 2004 enacted level of \$9.9 million. Appropriated funds are supplemented by recoveries obtained from principal responsible parties. The Department will continue to allocate funds to the highest- priority eligible sites across the Department. The 2005 budget proposes appropriations language to transfer \$13.5 million in unobligated balances from the Fund to the Environmental Protection Agency as reimbursement for costs incurred by EPA at the Denver Radium Site, to fully satisfy the Department of the Interior's obligations under the 1988 memorandum of agreement between the former Bureau of Mines and the EPA regarding this site.

Legislative Proposals - As discussed above, the budget proposal for the Wild Horse and Burro program includes a legislative proposal to amend the *Southern Nevada Public Land Management Act* to allow the BLM to use an additional \$2.3 million in funds available in the Southern Nevada Public Lands Management account. That account is funded through sales of public lands in Clark County, Nevada. The funds are used for various purposes in Nevada. The

proposed legislation would allow the funds to be used for wild horse and burro management on Federal lands in Nevada.

The Administration will propose legislation to amend BLM's land sale authority under the Federal Land Transaction Facilitation Act. Under the Act, BLM is currently limited to selling lands that had been identified for disposal in land use plans that were in effect prior to enactment of FLTFA. However, BLM is involved in a multi-year project to bring all of its land use plans up to date, replacing plans that were in effect when FLTFA was enacted. Additionally, the Act currently limits use of receipts to the purchase of other lands. It does not make funds available for land restoration projects.

III. THE SECRETARY'S FOUR C'S — CONSULTATION, COORDINATION, AND COMMUNICATION IN THE SERVICE OF CONSERVATION

The Four C's – Consultation, Coordination, and Communication – in the Service of Conservation – is a crucial tool the BLM uses to address the demands placed on the BLM. The overall objective of this plan is to improve service to the Department's customers, including the general public, interest groups, and local, State and Federal agencies. The BLM strongly supports the Secretary's vision regarding Consultation, Coordination, and Communication in the service of Conservation – the "Four C's." In fact, this philosophy has long been the BLM's way of doing business. Consultation, coordination, and communication are integral components of nearly every program or action on the BLM public lands. The BLM depends on citizen-centered governance, and, alternatively, for many people in the West, the BLM is the agency with which they most often interact regarding management of Federal land.

Examples of how the principles of the Secretary's Four C's vision of Conservation through Cooperation, Consultation and Communication are essential to the BLM include:

Citizen-Advisory Groups - The BLM has used citizen advisory groups since 1934, when Grazing Advisory Boards were established. Current examples include:

- Twenty-Three Resource Advisory Councils,
- Five Resource Advisory Committees for western Oregon District Offices,
- The Wild Horse and Burro National Advisory Board,
- The National Science Advisory Board,
- Seven Special Area Advisory Boards (Monuments and National Conservation Areas), and
- Four new Advisory Boards, established in 2002, for the Carrizo Plains, Canyons of the Ancients, Sonoran Desert, and Grand Staircase-Escalante National Monuments.

Partnerships - The BLM is involved in many local, State, and national partnerships, and encourages volunteer assistance, to improve management of the public lands. This involvement is reflected in the increase in interagency and cooperative agreements over the last five years and the increase in the number of volunteers on BLM lands. The Bureau anticipates providing \$127.0 million toward partnerships with other Federal, State and local governments,

academic institutions, and non-governmental organizations in 2004, and expects a match of \$93.0 million in non-Federal funding. Volunteers are expected to donate more than 1.2 million hours of work, at an estimated value of more than \$20 million. This demonstrates not only the great willingness of the Bureau's partners to help pay for and to donate their time for public land improvements, but also the extent of the BLM's commitment to collaboration under Secretary Norton's vision.

Types of partnership programs include:

Challenge Cost Share and Cooperative Conservation Initiatives - The Challenge Cost Share program is one of the Bureau's premiere partnership programs. The challenge cost share program is a valuable tool for building these partnerships and leveraging funding, allowing the BLM to initiate and complete many more on-the-ground resource protection and restoration projects, and recreation enhancement projects, than would otherwise be possible. Private organizations and State and local governments have contributed millions of dollars in matching funds and in-kind services or equipment since its inception. Funds are used to support recreation resources, cultural resources, and wildlife resources. More information on this program can be found in Section III.

Volunteers - To sustain the health, productivity, and diversity of 261 million acres would be an insurmountable task without the help of volunteers. Thousands of volunteers contributed their time and talents to care for the many natural, cultural, and recreational resources on BLM-managed public lands. Volunteers enable the BLM to provide a wide range of services to public land users.

National Fish and Wildlife Foundation - The NFWF is a private, non-profit, tax-exempt organization established by Congress in 1984 and dedicated to the conservation of fish, wildlife, plants, and the habitat on which they depend. The NFWF receives congressionally appropriated funding annually through Federal agencies and provides grants for projects that focus on environmental education, natural resource management, habitat protection and restoration, and the development of conservation policy. As a result of cooperation with the Foundation, BLM is able to accomplish more on-the-ground work.

National Environmental Policy Act Implementation - Public involvement is an integral part land management planning, both at the project and large scale land use planning levels.

IV. THE DEPARTMENT'S STRATEGIC PLAN AND THE BLM'S PERFORMANCE SUMMARY

The BLM has fully integrated the Department's Strategic Plan measures into the Performance Summary Tables included in these Budget Justifications. The BLM program budgets are now displayed to show their relationship to the Department's Strategic Plan and a specific alignment between plan goals and funding requests. The BLM has made considerable progress in establishing baselines and initial targets for most of the measures that are included in this Budget Request; however, some targets that have been provided are tentative because of the difficulty of transitioning from output measures to outcomes. The BLM had not previously collected data that correlated well with many of the outcome performance measurements of the

Department's Strategic Plan. Consequently, baseline data that will guide target setting for 2005 will be established in 2004 in many cases.

In 2004, the BLM will complete an operating plan that gives more detail to the Departmental Strategic Plan. The operating plan will include measures from the Strategic Plan, measures developed through the Administrations Program Assessment Rating Tool, and several measures specific to the BLM.

Each mission goal of the Department's Strategic Plan has several performance measures to gauge progress towards meeting mission goal accomplishments, including end outcome goals and measures, intermediate outcome goals and measures, and primary outputs. For example, a number of outcome measures track the BLM's progress in meeting the end outcome goal to improve the health of watersheds and landscapes that are DOI managed. Outcome measures include the percent of stream miles achieving desired conditions; percent of acres of upland areas meeting desired conditions; and percent of wetland acres achieving desired conditions, in each case where the desired condition is known and specified in management plans. A number of other measures track the BLM's progress in meeting the end outcome goal of sustaining biological communities on DOI-managed and influenced lands and waters, including the percent change from baseline of acres infested with invasive plant species, and the number of acres restored or enhanced to achieve habitat conditions that support species conservation, consistent with management documents.

Reliable data is necessary to the implementation of the Strategic Plan. The BLM will continue to address data reliability issues through internal reporting and tracking systems, including the continued application of the data validation and verification matrix. The BLM plans to address the appropriateness of the outcome goals and measures that it is responsible for measuring in support of the Strategic Plan, especially how the goals and measures relate to the BLM mission, and whether the goals and measures are measurable, realistic, understandable, and pertinent to decisionmaking. The BLM has provided performance measure definition templates to all field offices that will be required to report on the status of accomplishments for Departmental measures to ensure that the measures are well understood and to ensure consistency in the reporting of accomplishments. BLM has also provided training to employees to emphasize and reinforce each employee's responsibility to report performance accurately. The BLM will also track progress towards meeting key accomplishments on a quarterly basis to review performance results to date and to discuss strategies and potential performance issues. The BLM will also be accomplishing self-assessments, PART studies, and program or general management evaluations that will include assessments of data validity and verification of reported accomplishments and has issued guidance on the use of validation and verification of data as part of evaluations and management control reviews.

Each of the mission areas of the Strategic Plan is described below. The General Statement Attachments section includes a performance summary table, a table showing funding by Strategic Plan mission areas, and a table showing the relationship between Strategic Plan mission areas and BLM's primary work processes.

A. Resource Protection Strategic Plan Mission Area

The BLM expends approximately 23 percent of its funding resources for this mission area. The health of BLM-managed land continues to be of paramount importance. Because healthy lands are more resilient to environmental fluctuation and disturbance, they can sustain greater resource use, recreation, and other uses or activities on a long-term basis. If the condition of the public lands has been degraded, then restoring those lands to a more healthy condition becomes a high priority. In some cases, careful, selective management actions can produce useful results. In other cases, the need for restorative action is a key element in achieving healthy lands. Frequently, effective restoration requires complex, multi-faceted sets of actions that require investments in land treatments and project construction and maintenance activities. The BLM will measure 29 outcome measures included in the Department's Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2005.

B. Resource Use Strategic Plan Mission Area

The BLM expends approximately 20 percent of its funding resources to contribute toward Department goals for this mission area. The public lands provide myriad opportunities for commercial activities. Commercially valuable natural resources include energy and mineral commodities, forest products, grazing forage, and special uses such as rights-of-way for pipelines and transmission lines. The BLM recognizes the Nation's need for a domestic source of minerals, food, timber, and fiber from the public lands. In recent years, the on-shore Federal mineral lands have produced about 40 percent of the Nation's coal, 11 percent of its natural gas, and 5 percent of its oil. Coal production and its Federal share have been increasing, while oil production from on-shore Federal lands has declined slightly but steadily. These public lands also produce a large portion of the Nation's fertilizer minerals, mineral materials, gold, silver, and other critical metals. The BLM will measure 21 outcome measures included in the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2005.

C. Recreation Strategic Plan Mission Area

The BLM expends approximately 4 percent of its funding resources to contribute toward Department goals for this mission area. The BLM provides recreational opportunities on its lands and has more than 50 million visitors each year. The long-term goal for recreation is to provide better access to high-quality recreation opportunities at a cost that is fair to visitors and taxpayers. BLM-administered public lands and waters provide visitors with a vast array of recreational opportunities, including hunting, fishing, camping, hiking, boating, hang gliding, off-highway vehicle driving, mountain biking, birding, and visiting natural and cultural heritage sites. BLM will measure 14 outcome measures included in the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2005.

D. Serving Communities Strategic Plan Mission Area

The BLM expends approximately 53 percent of its funding resources to contribute toward Departmental goals for this mission area. In serving the Nation's citizens and communities, the

BLM ensures that people and property are protected from hazards associated with the BLM's land management programs and activities, and fulfills the Government's fiduciary Indian trust responsibilities. To achieve goals for serving communities, the BLM collaborates with many constituents in applying the Secretary's Four C's vision of Conservation through Cooperation, Consultation, and Communication. By actively working with communities, partners, customers, contractors, volunteers, and stakeholders to obtain their input and feedback, the BLM strives to improve delivery of services and products and increase the public's confidence in the BLM's abilities. The BLM will measure 17 outcome measures included in the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2005.

V. THE PRESIDENT'S MANAGEMENT AGENDA

Improvement in the management of human capital, competitive sourcing, financial management and expanding electronic government will matter little if they are not linked to better results.
– The President's Management Agenda, page 25

The President's Management Agenda is based on the principles that government should be citizen centered, results oriented, and market based. In May 2001, the Secretary of the Interior issued a document that further outlined this agenda as it applies to the Department and the BLM entitled Interior's Management Challenge for Citizen-Centered Governance. There are five components of the management reform initiatives outlined in both documents. Several management initiatives previously undertaken by the BLM positioned it well to advance these initiatives.

A. Strategic Management of Human Capital

The BLM completed a comprehensive workforce plan in 2003 and is presently updating this plan for the period 2005 through 2009. The BLM's workforce planning effort is aimed at assuring that the BLM has "the right people with the right skills in the right locations at the right time" to successfully accomplish mission requirements. The BLM's workforce planning process factors national needs and workforce structure with local and regional workforce requirements to meet growing and increasingly complex work commitments. Workforce plans will continue to be further integrated with the BLM's Budget Planning System database, thereby better aligning resource allocation and performance.

The BLM will ensure that the right skills are available in the right place at the right time through continuous workforce planning that uses a blend of skills acquisition and developmental approaches. The BLM expects to lose more than 160 skilled employees through voluntary retirement in 2005 and nearly 40 percent of the BLM's workforce will be eligible for retirement by 2008. It is anticipated these potentially lost skills and knowledge would be replaced, in part, through the BLM's ongoing implementation of the Competitive Sourcing initiative. The BLM's human resource plan also provides placement and retraining services to employees adversely affected by competitive sourcing decisions.

B. Competitive Sourcing

President Bush has challenged agencies throughout government to improve service to the public and to accomplish their work in the most cost-effective way. Under the *Federal Activities Inventory Reform Act*, Federal agencies are directed to inventory on an annual basis all work activities performed by their employees and to determine how many of those activities are “commercial” and how many are “inherently governmental.” The Office of Management and Budget, in turn, is required to consult with each agency regarding its inventory. Upon completion of this review and consultation, the agency must transmit a copy of the inventory to Congress and make it available to the public. The current BLM inventory identifies approximately 3,000 full-time equivalent positions located across the country that were performing activities also provided by commercial enterprises.

The OMB issued a memorandum on December 22, 2003, requiring agencies to submit plans that address all Reason Code B commercial activities in the *FAIR Act* inventory. The OMB defines a commercial activity as a function, either contracted or government-operated or managed, that provides a product or service obtainable from a private commercial source. The December 22 guidance, added to the new A-76 Circular issued on May 29, 2003, provides the OMB’s revised approach to competitive sourcing studies. Competitive sourcing studies focus on determining who can provide quality service at the best value to the government’s customers. These studies compare quality and costs of the BLM’s in-house capability to those available from non-Federal providers.

Rather than issuing numerical goals for agencies, the OMB has required agencies to submit plans reflecting what commercial activity studies will be announced in the 2005-2008 period, which commercial activity studies will not be publicly announced in 2005-2008 and why not, and which commercial activities require further analysis before scheduling. In 2003, the BLM conducted 46 Express Reviews involving 314 full-time equivalent positions and one standard study involving 176 FTEs on the commercial activities related to the maintenance, repair, alteration, and minor construction of real property. The 46 Express Reviews the BLM conducted in 2003 cost \$547,000. The standard study in the BLM’s Oregon/Washington State Office is not yet completed, but study costs total approximately \$405,000. Funding for these studies is being provided out of base resources in the annual maintenance subactivity and represents an investment in future long-term savings and program effectiveness.

In 2004, the BLM plans to conduct one streamlined study on mapping functions, involving 12 FTEs, at the BLM’s National Science and Technology Center in Denver, Colorado. Sufficient in-house resources are anticipated to conduct this study.

For 2005 through 2008, the BLM will implement its long-range competition plan pursuant to the OMB’s memorandum dated December 22, 2003 on *Development of “Green” Plans for Competitive Sourcing*. After answering strategic questions on workforce planning, business needs, and initial competitive sourcing preplanning, the BLM will ensure competitive sourcing is a carefully and regularly considered option for improving the cost-effectiveness and quality of its commercial operations. This long-range competition plan will be completed by July 2004. Potential activities for study in 2005, and their associated number of FTEs, will be clearly known at that time. However, because of the small number of FTEs planned for study in 2004, the

BLM anticipates the number of commercial activities (and FTEs) studied in 2005 will increase significantly.

To meet the BLM's long-range plan objectives effectively and to support the resulting 2005 competitive sourcing studies to be completed, the BLM requests \$570,000, for competitive sourcing contracting support costs, in FY 2005.

C. Expanded Electronic Government

With the explosive growth of the Internet and use of personal computers in over 60 percent of all homes in the United States, expectations of BLM employees, citizens, and businesses that conduct transactions with the BLM have changed significantly. Two of the hallmarks of the Information Age are universal access to information and "information velocity." Many businesses have realized what makes customers choose one company over another is speed and accessibility of their information (being able to get information at any time, 24-hours a day, and 7 days a week). Customers are simply seeking the best information possible in the fastest possible time. The keystone of success in the Information Age is the ability to add value to outputs by being able to quickly transform data and records into useful information, and to make that information widely accessible. The BLM realizes the necessity of providing universal electronic access to business information when customers and the public need it.

"Today I have signed into law H.R. 2458, the 'E-Government Act of 2002.' This legislation builds upon my Administration's expanding E-Government initiative by ensuring strong leadership of the information technology activities of Federal agencies, a comprehensive framework for information security standards and programs, and uniform safeguards to protect the confidentiality of information provided by the public for statistical purposes. The Act will also assist in expanding the use of the Internet and computer resources in order to deliver Government services, consistent with the reform principles I outlined on July 10, 2002, for a citizen-centered, results-oriented, and market-based Government."

***– President George W. Bush
December 17, 2002***

Within the President's proposed funding levels for information technology projects, the BLM will be able to accomplish the following in 2005:

- Continue to work with the "Recreation One-stop" initiative to ensure that public recreation needs, which have been growing so dramatically, are recognized and incorporated into BLM business plans.
- Continue current level of support to the DOI "volunteer.gov" effort, which helps augment BLM staff capability.
- Participate in and support the Quicksilver initiatives at a higher level than in previous years.
- Continue to implement the "E-authentication" initiative, to strengthen physical security at BLM facilities, and to enhance logistical security to BLM systems.
- Examine lines of business to identify opportunities to implement E-Government solutions within proposed funding levels.

- Continue implementation of the BLM's Interim Strategy for E-Government which includes implantation of E-planning, E-Forms, and the LR2000 Web page. This will allow users to apply online and pay fees and rentals online also.
- In new or existing projects under development, incorporate E-Government principles.
- Provide support for the "Geospatial One-stop" initiative.

D. Improve Financial Performance

The BLM has demonstrated an outstanding record in financial management by receiving nine consecutive unqualified, or clean, financial audit opinions. Key to the BLM's success has been the availability of timely and accurate financial information made available to all employees through the Management Information System. The ability to link budget and performance through cost management and to access financial data in real time has fostered a BLM-wide ethic of fiscal accountability. The BLM has also met or exceeded its goals under the *Prompt Payment Act*, as well as its goals to reduce or eliminate erroneous payments.

In 2005, as in 2004, the BLM's emphasis will be on:

- Assuring adequate financial internal controls are in place BLM-wide.
- Assuring compliance with accounting standards (Federal Accounting Standards Advisory Board).
- Improving accountability for undelivered order funds.
- Assuring compliance with fiscal laws and regulations.
- Assuring proper accounting, management, and maintenance of capital assets.
- Completing quarterly financial statements, including intra-governmental eliminations.
- Participating in Departmental system solutions to intra-governmental eliminations.
- Complying with recommendations for improving electronic data processing.
- Providing guidance to program managers and field personnel on financial accountability.

E. Budget and Performance Integration -

President Bush has called on Federal agencies to better integrate performance in their decisions about budget allocations. In the 2005 Budget Request, the BLM includes specific examples of its performance and budget process. Requests for increased funding in the 2005 Budget Justifications use full agency cost (direct and indirect) data. Using BLM full cost data to calculate the requests for increased funding will help assure that BLM is able to achieve projected results and meet the expectations of customers. Integrating performance information into the budget process will not require additional funding. Rather, it will change the way the BLM develops budget information within existing funding levels.

Use of Performance and Cost Management Data in the BLM's Idaho State Office

The BLM's Idaho State Office distributed much of its 2004 program funding to District Offices based on the priority work the District Offices accomplished in 2003 and on the unit cost of that workload in each District Office.

Accomplishments and unit costs were taken from the BLM's Management Information System.

Allocations based on performance rather than historic figures resulted in significant funding increases or reductions within district programs in 2004. It also resulted in significant funding changes among District Offices.

Allocations based on performance should result in disbursements to the districts at levels more appropriate for the work planned.

The goal of the BLM's Idaho State Office is to distribute funding based on the average of current year accomplishments and the next year's projected accomplishments of priority workload.

The BLM strives to use available resources in the most efficient manner. For example, in 2005, the BLM proposes to shift funds from several programs to the Wild Horse and Burro Management program. To develop this request, the BLM used cost management data to develop both a reliable estimate of the costs of removing additional wild horses and burros, and to determine specific impacts to the programs from which funds are being removed.

The following are some of the accomplishments of the BLM in the area of budget and performance integration.

2003 – As part of development of the BLM's internal 2003 Planning Target Allocations, which were based on the 2003 President's Budget, BLM staff compiled cost information by subactivity and work activity ("program element") for 2000 and 2001. The cost information included spending on "priority program elements" for each subactivity, other workload units, overhead, and administration. The analysis also included average unit costs for "priority program elements" – defined as those that comprise the core work within that subactivity.

Program and budget staffs were then directed to review the prior year data to identify and explain apparent anomalies, such as where State Office expenditures or unit costs seemed significantly higher or lower than the BLM average. Program and budget staffs were also directed to review actual accomplishments compared to planned targets. Based on their analysis of the cost data, program staffs were asked to recommend appropriate changes in funding for the States or Centers. The BLM Budget Strategy Team – a management group made up of State, field, and Washington Office representatives – then reviewed the budget and program staff recommendations. In most cases, the recommendations were approved, and State cost and performance targets were modified accordingly. State Offices are being encouraged to use a similar process to develop funding recommendations for field offices within their jurisdiction.

What is Cost Management?

Cost Management, or Activity-Based Costing, provides managers with the information they need to manage limited resources efficiently. It provides them with information about the full and relevant costs of work processes and outputs and helps them answer the question "How much work are we getting for what we are spending?"

BLM's implementation of cost management establishes a process that examines how work processes consume resources and how those resources relate to work outputs – "activities." Cost management helps BLM managers understand what drives costs and how they can be managed to better serve the BLM's customers. In short, it allows the BLM to measure the cost and performance effectiveness of the program work that accomplishes the BLM's mission.

All work in the BLM is described in terms of program elements (the activity part of ABC). All labor and operational costs are charged to one or more program elements. Describing work in terms of program elements allows the BLM to show purchasing power in terms of outputs rather than the traditional financial accounting perspective of inputs based on budget object class data.

Most program elements are considered "direct" work activities and are associated with a unit of accomplishment (i.e., "output"). Other Program Elements, such as public outreach and program management, do not have easily measurable outputs, yet they directly benefit the program area and so can be distributed proportionately to direct program costs. Still other program elements reflect the cost of general administrative support and other "indirect" costs. These can still be distributed proportionately among all "direct" costs to better enable BLM managers to understand the total cost of doing business. The "full cost" of any work activity includes both direct and indirect costs.

The BLM uses this cost management information in many ways: to understand the relationship between cost and workload; to forecast costs based on workload; to estimate accomplishments at different budget levels; to optimize operations by realigning workloads according to economies-of-scale; to understand what drives cost in the BLM and why; and to compare the cost of alternative actions.

2004 – The BLM submission for the 2004 Budget Justification built upon the 2003 analysis. Funding targets were adjusted to reflect information gained from a 2002 end-of-year analysis of the true costs of accomplishing specific tasks and multi-year trend information regarding accomplishments and spending history. It included recommendations to shift funding between States and Centers to recognize good performance and to focus limited funding on priority work activities.

Effective October 1, 2004, the Department implemented Activity Based Costing/Management in all of the Bureaus and Offices in Interior. The ABC/M model implemented was essentially the BLM's Cost Management Model. All Department bureaus and offices now code costs for similar work to the same Work Activity or Program Element codes so that the cost of work and resultant outputs can be measured across the Department.

During 2004, the BLM plans to evaluate several of its critical business processes, such as Use Authorizations, using ABC/M, in an effort to find economies-of-scale, and other, more effective, ways to accomplish work.

2005 – The BLM's 2005 Budget Justifications tie to Strategic Plan goals and performance measures established under the *Government Performance and Results Act*. Workload and performance measure data collected using the Management Information System will be used by managers and program leaders at all levels of the BLM to relate budget to performance. Emphasis in 2005 will be on:

- Furthering the integration of performance, planning, and budget development.
- Aligning budget accounts, staffs, and programs to support achieving program targets.
- Charging full budgetary cost to mission accounts and activities.
- Documenting performance effectiveness through the BLM's program and the Administration's Program Assessment Rating Tool process.

VI. THE BLM'S NATIONAL LANDSCAPE CONSERVATION SYSTEM

The western public lands managed by BLM include a system of spectacular landscapes that have been designated for special management by Congress and the President. These areas are managed as part of the BLM's National Landscape Conservation System. These designations include: 161 Wilderness Areas, 38 Wild and Scenic River segments, portions of 12 National Scenic and/or Historic Trails and 32 other national conservation designations. In addition, there are 15.6 million acres in Wilderness Study Areas that are pending congressional action. Funding for each NLCS unit is provided from funds in various subactivities in the Management of Lands and Resources and the Oregon and California Grant Lands appropriations. The Recreation Management chapter includes a list of public land recreation resources, many of which are NLCS units. The performance information for NLCS units is included in the performance information for each program.

The NLCS lands offer unparalleled outdoor opportunities while preserving many traditional public lands uses such as livestock grazing, rights-of-ways, and hunting. In an increasingly crowded West this allows the BLM to bring communities, people, and conservation together. The NLCS lands offer havens of solitude and a reminder of the West as it originally was. Recreation opportunities include the chance to visit prehistoric and historic sites, trace the footsteps of Lewis and Clark or follow in the wagon tracks of pioneers who settled the American West. Learning about heritage, the natural and cultural resources, and the scientific values these areas offer is a tremendous benefit to the American public.

The BLM faces a number of immediate management challenges in the 21 most recently designated conservation areas and monuments. Challenges include responding to rapid increases in recreational visitation; protecting archeological, historical, paleontological, and biological resources; directing off-highway vehicles to roads and trails designated for their use; and restoring, conserving, and interpreting the outstanding values of these landscapes. Many offer opportunities to improve multiple use management as communities, the public, and the

“The object of your mission is to explore the Missouri river and such principal stream of it as by its course and communication with the waters of the Pacific ocean, whether the Columbia, Oregon, Colorado or any other river may offer the most direct and practicable water communication across this continent for the purpose of commerce.... Other objects worth of notice will be the mineral productions of every kind.”

***- President Thomas Jefferson to Captain Merriweather Lewis
June 20, 1803***

government work together to develop and implement land use plans. There is a high level of local, regional, and national interest in the future management of these special areas.

National Historic and Scenic Trails –The BLM’s twelve National Historic and Scenic Trails showcase the history, exploration, development, and scenic splendor of the western United States. Crossing thousands of miles of deserts, mountains, and tundra, these landmark trails preserve the legacies of journeys that forever changed a growing Nation. They offer recreationists challenge, inspiration, and experiences that can last a lifetime. Conserving, restoring, and interpreting these historic and scenic trails and their natural and cultural resources assure that not only the stories and experiences, but also the places, will endure.

“Walk In The Footsteps Of Lewis and Clark” is the Bureau of Land Management’s theme for the Lewis and Clark Bicentennial Commemoration, observed by the Nation from 2003 through 2006. As the Corps of Discovery worked its way westward, members of the Expedition wrote in their journals about many of the spectacular landscapes now managed by the BLM. In partnership with 16 States, 82 Members of Congress, 27 Federal agencies, and thousands of communities, the BLM is participating and supporting the 15 National Heritage Signature Events. Through these partnerships and events, the BLM is implementing President Bush’s Executive Order on the Lewis and Clark Bicentennial. In FY 2005, the BLM will support the National Heritage Signature Event, Circle of Cultures: Time of Renewal and Exchange, in Bismarck, North Dakota, October 22 through 31, 2004.

Management challenges for nationally designated trails include development of management plans, protection of important historic sites, and formalizing cooperative agreements with many agencies and organizations.

Wild and Scenic Rivers - The BLM is responsible for 38 designated Wild and Scenic Rivers (20 percent of the national WSR System), covering over 2,000 miles in five western States. Many of these rivers are the original highways of the American frontier along which ancestors explored and homesteaded. As a valued part of that legacy, these rivers cross the spectrum from remote deserts, mountains, and forests to urban/community-based environs. They contribute toward some of the Nation’s best recreational-based whitewater adventures while preserving remnants of cultural heritage. Designation is also increasingly viewed as a tool to promote watershed protection and quality of life for communities.

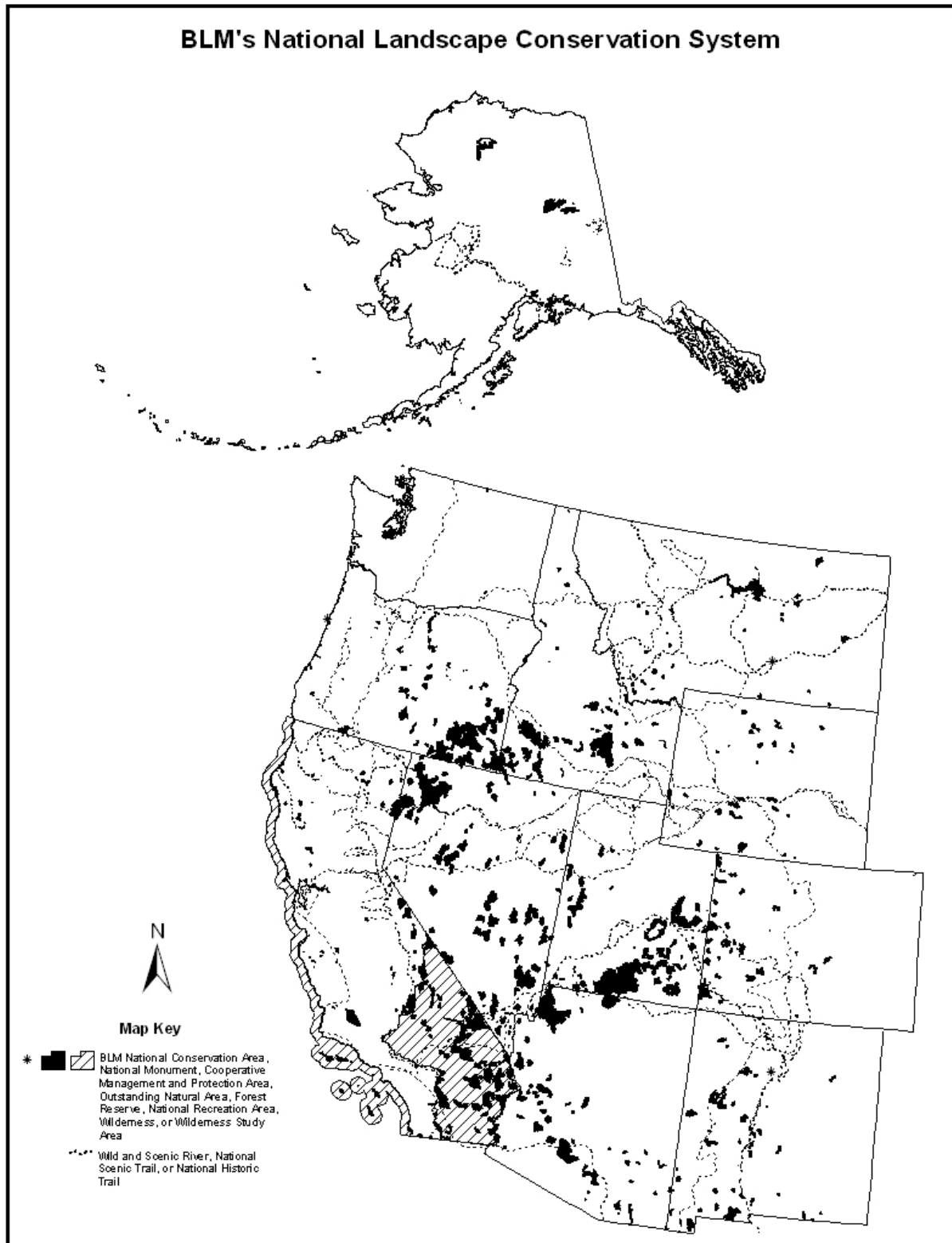
Management challenges include: educating and informing various publics about water resources, updating comprehensive management plans, enhancing visitor services and community partnerships, restoring watershed values, monitoring and improving water quality, maintaining critical species habitats, stabilizing and restoring stream banks, and providing interagency coordination and consistency.

Wilderness and Wilderness Study Areas – The BLM manages 6.5 million acres of designated Wilderness in 161 individual areas. The BLM is directed by Congress to protect the wilderness values of these lands. Management challenges include completing management plans, restoring past human impacts, controlling motorized uses, and monitoring resource conditions and trends. An additional 15.6 million acres are managed as Wilderness Study Areas, pending formal Wilderness designation or release by an Act of Congress.

Other National Conservation Designations - With the recent addition of Nevada's Sloan Canyon National Conservation Area, the number of BLM's national conservation designations, outside the National Wilderness, Rivers and Trails Systems, reached 32. Each of these areas, which include national monuments, national recreation areas, national conservation areas, a cooperative management and protection area, a forest reserve and an outstanding natural area, has specific legal mandates for the conservation of these special landscapes. The BLM is developing community-based land use plans that will establish the future management objectives for each of these areas. Six of these units are targeted to complete their management plan in FY 2004. An additional 15 are targeted for completion in FY 2005. Some older plans, such as the King Range NCA along the northern California coast and the Birds of Prey NCA, in Idaho, are being revised and updated. Implementing these plans and the decisions that have been collaboratively developed with local communities, tribal governments and the interested public will require innovative and cooperative solutions. Advisory Councils have been established for 6 of these areas to advise the BLM on management. In other areas, the BLM is using its existing Resource Advisory Councils to facilitate close coordination with local interests in the development and implementation of these plans. In addition to existing advisory councils, each of these special landscapes has had a friends group or a local non-profit organization established, or is supporting the establishment of such a group. The BLM will continue to strengthen visitor information and safety, protection of fragile resources, and expand understanding of the social and economic values and benefits through local public involvement.

NLCS Focus for 2005 - In 2005, the BLM will focus funding on the completion of 15 resource management plans for national conservation designations. Through collaborative processes BLM will develop implementation strategies which will establish priority tasks for implementing the completed management plans. The BLM will continue to strengthen relationships with state and county governments and local interest groups in an effort to leverage funds and connect to important social and economic values. The grass root partnerships associated with congressionally established rivers and trails will continue to be strengthened with particular emphasis on assessments needed to support the development of management plans for the Continental National Scenic and the Old Spanish National Historic Trails.

The 2005 Budget Request includes an increase of \$300,000 to improve sage grouse habitat in Gunnison Gorge National Conservation Areas and Craters of the Moon National Monument. This work will be accomplished in association with BLM's Sage Grouse Initiative and will be targeted at key habitat areas where available water and vegetative conditions need improvement.



VII. THE PROGRAM ASSESSMENT RATING TOOL REVIEW

A. 2005 Restoration PART (71% rating)

For 2004, the Administration completed a PART evaluation to identify strengths and weaknesses of BLM's Restoration programs, which restore natural habitats through work that includes invasive weed treatments, reintroduction of native species, forest health improvements, and restoration of riparian areas, among other activities. For the BLM, this work is actually funded by portions of a number of subactivities.

As a result of the PART evaluation, the Administration rated BLM's restoration activities as "moderately effective" with a score of 71 percent. The restoration program was generally judged to be well-managed, deriving significant benefits from funding and in-kind contributions provided by non-Federal partners. However, the Administration identified several weaknesses during the assessment, including gaps in the monitoring of resource conditions to support management decisions and to assess the impacts of restoration activities, lack of performance measures that focus on efficiency, and insufficient data on existing performance measures to ensure that baseline data are accurate and performance targets are aggressive. Based in part on the PART findings, the BLM will focus on monitoring in 2005, by more systematically tracking monitoring efforts and overall program effectiveness to help improve baseline data and understanding of the resource conditions on the BLM lands.

B. 2005 Recreation Management PART (61% rating)

For the 2005 budget, the Administration gave BLM's Recreation Management programs high scores in the areas of program purpose and program management. The Administration found however, that the program was somewhat lacking in establishing more challenging targets and in conducting sufficient independent audits and evaluations of the program. BLM conducts many internal evaluations and audits but lacks the sufficient independent efforts. To correct this flaw, BLM plans to reassess the targets and goals and make them more ambitious and we will conduct additional independent reviews of our programs. The Administration also found that BLM has not demonstrated progress in achieving its long term goals or improved efficiencies and cost effectiveness in achieving program goals. BLM intends to address this by completing quarterly progress reports on progress toward meeting the new strategic plan measures and the management actions in this plan.

C. 2005 Energy and Minerals PART (55% rating)

For the 2005 budget, the Administration gave BLM's energy and minerals programs high scores in the areas of program purpose and program management. The Administration found however, that the program suffered from a design flaw that limited its ability to recover the full cost of providing access to public lands for energy and mineral exploration and development. To correct this flaw, BLM plans to publish cost recovery regulations which will allow it to collect an additional \$4,000,000 annually. The PART also found that BLM should develop performance indicators which measure program efficiency and portray outputs in the context of demand. These new measures are shown in the Performance Summaries at the end of each subactivity discussion.

D. PART Reviews Scheduled for 2006

Although subject to change, for the 2006 budget, the Administration currently plans to evaluate BLM's realty programs including the Land Acquisition program and Southern Nevada Public Land Sales program.

VIII. BLM'S APPROPRIATION STRUCTURE

The BLM receives funding authority from numerous sources, including annual direct appropriations from the General Fund of the Treasury and from various special funds such as the Land and Water Conservation fund. Annual appropriations are also made of offsetting collections from non-Federal sources such as mining claim maintenance fees. When it is advantageous to the government, BLM is authorized under the *Economy Act* to enter into reimbursable agreements with other Federal agencies. In some instances, appropriations to other Federal agencies are transferred to BLM, such as transfers from the U.S. Forest Service to the BLM for pest control and cadastral survey programs.

Direct appropriations include the Management of Lands and Resources appropriation, which is the BLM's main source of funds for operating programs such as energy and minerals development, protection of lands and resources, land use planning, management of wild horses and burros, wildlife, grazing, authorization of uses of the public lands, and cadastral surveys. The Oregon and California Grant Lands appropriation covers the management of BLM lands and resources in western Oregon which are governed by the *Oregon and California Grant Lands Act*. The Wildland Fire Management appropriation covers expenses for wildland fire suppression, preparedness, prevention, rehabilitation, hazardous fuels reduction, wildland urban interface, and rural fire assistance. The Land Acquisition appropriation is used to purchase lands and interest in lands in certain designated conservation areas. The Construction appropriation is used for construction of facilities on public lands. These appropriations are no-year accounts, and Congress appropriates funds annually.

Other direct appropriations include a major portion of the Miscellaneous Trust Funds appropriation, which provides for resource protection and development of public lands with funds contributed to the BLM from non-Federal sources. The Service Charges, Deposits and Forfeitures is a direct appropriation that is funded from sources such as fees collected to recover the costs of processing applications and documents, and from fees collected for providing copies of public land documents. Each year Congress appropriates these funds to BLM to do the work. The Range Improvements appropriation is a direct appropriation of \$10,000,000 that is funded by one-half of the fees collected for grazing on the public lands, with the balance coming from the General Fund of the Treasury.

The BLM funds administrative expenses from the Workforce and Organizational Support program and the Land and Resource Information Systems program in the Management of Lands and Resources appropriation, and the Western Oregon Information and Data Systems program in the Oregon and California Grant Lands appropriation. In addition, the BLM funds administrative expenses through program assessments at the National and State Office level.

The administrative support assessment process is described in the Workforce and Organization Support chapter, as required by section 343 of the *2004 Department of the Interior and Related Agencies Appropriation Act*.

Some appropriations do not require annual appropriation by Congress, but are permanently appropriated by various laws. In this category are permanent appropriations that are paid to States, counties, and Native corporations. An example is payments made to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act* of 2000. The payments are derived from both receipts collected by the BLM and appropriations from the General Fund. Another category of permanent appropriations are derived from receipts collected by the BLM for the sale, lease or use of public lands or resources. The receipts are available for use by the BLM each year for specified purposes. For example, 85 percent of the receipts from the sale of public lands in Clark County, Nevada, are deposited in a special account and used for the acquisition of environmentally sensitive lands in Nevada and other purposes authorized by Congress.

IX. CONGRESSIONAL DIRECTIVES

The Bureau of Land Management is in the process of responding to several requests for information from the House and Senate Appropriations Committees. Many of these requests are discussed in these justifications. A summary of some of the requests is outlined below.

Competitive Sourcing Studies - The Conference Report for the *2004 Appropriations Act* directed the BLM to provide detailed reporting on the results of past competitive sourcing studies by December 31, 2003. The BLM was also required to submit to the House and the Senate Committees on Appropriations by January 10, 2004, a detailed program of work for competitive sourcing activities planned for 2004. The BLM is preparing this report.

Land Acquisition Long Term National Plan - The House Appropriations Committee, in House Report 108-195, directed the Secretary of the Interior and the Secretary of the Agriculture to jointly develop a long-term national plan for Federal land acquisition outlining the acreage goals and conservation objectives, and a schedule for meeting the goals and objectives. The Department of the Interior is coordinating this report among the land managing bureaus in the Department and with the Forest Service.

Land and Water Conservation Fund Unobligated Balances – In Senate Report 108-89, the BLM is directed to report any unobligated balances, with emphasis on identifying carryover by the fiscal year appropriated, quantifying appropriations made more than three fiscal years prior, and identify unobligated balances appropriated in fiscal years 2001 and prior years. The BLM expects to provide the report in the Spring of 2004.

Land Use Plans - Monitoring Resource Conditions Requirements - The House Appropriations Committee, in House Report 107-103, requested the BLM to submit a report detailing the BLM's resource monitoring efforts; the BLM's current capabilities and adequacy of existing resources for monitoring; and recommendations to address the BLM's need to monitor resource conditions. The BLM expects to provide the report in the Spring of 2004.

Managing Recreation on Public Lands - The House Appropriations Committee, in House Report 108-195, directs the BLM to report on efforts to develop a unified strategy for recreation management, including management of dispersed recreation. The report will outline costs of implementing the strategy and potential partnership contributions over the five-year period beginning in 2004. The BLM expects to provide the report in the Spring of 2004.

Access to Recreation Lands - In House Report 107-564 and 108-195, the Appropriations Committee directed the BLM and the U.S. Forest Service to submit a report detailing the number of acres of land under each jurisdiction that lack adequate public access, and the steps that are being taken to obtain access. The BLM has conducted surveys to determine amount of land that does not have adequate access, and is working with the Forest Service to prepare report. The BLM will deliver this reports in the Spring of 2004.

Issuance of Patents Under General Mining Laws Requirements - The Conference Report for the *2002 Appropriation Act* directed the Secretary of the Interior to file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the *Department of the Interior and Related Agencies Appropriations Act, 1997*. The Department has submitted a report in the Fall of 2003, and will submit a report in the Fall of 2004.

Oil and Gas Permitting Activity Backlog – Senate Report 108-89 directed the Director to submit a report within 90 days after completion of the establishment of a pilot program, which will be designed to eliminate existing backlogs of oil and gas permits, establish a best practices program for permitting on Federal Lands, and will require monitoring for oil and gas operations compliance. The report will outline the results, including the successes of the program in reducing permitting backlogs, the progresses in implementing a best practices program, and results of monitoring study. The BLM expects to begin to establish the pilot program in 2004.

Rangeland Assessment and Monitoring - House Report 107-103 directed the Secretaries of Agriculture and Interior to jointly charter an interagency group to address rangeland assessment and monitoring issues at both national and local scales, and develop a coordinated plan and budget to conduct standardized soil surveys on all rangelands. The report that will be forwarded shortly.

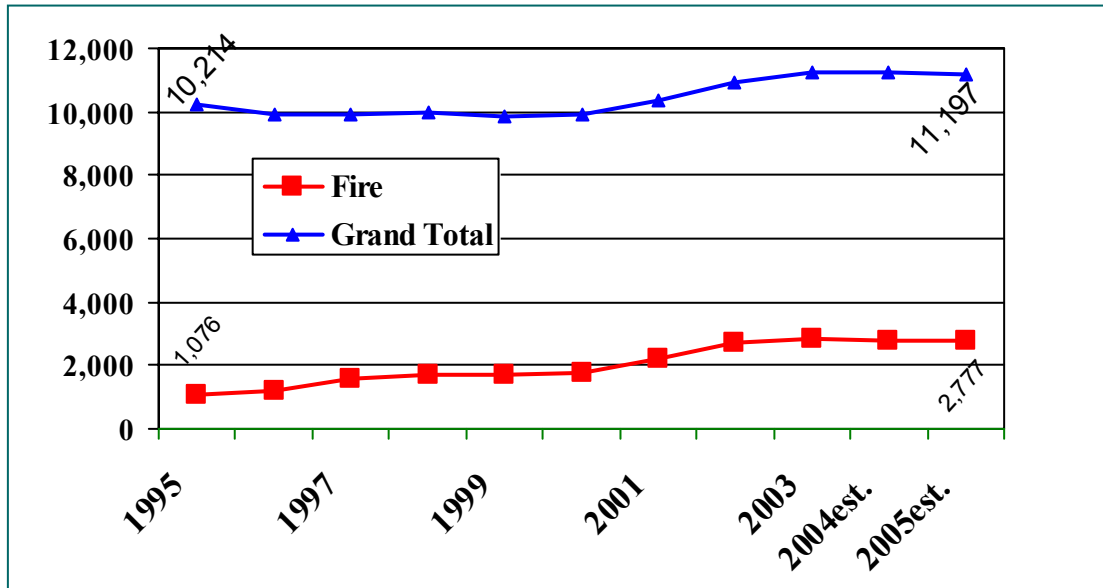
Challenge Cost Share - The House Appropriations Committee, in House Report 108-195, directed the BLM to report on year-end accomplishments for all projects funded by this subactivity in 2003. The BLM expects to provide the report in the Spring of 2004.

Use of Stewardship Contracting – Senate Report 108-89 directs the BLM to implement Stewardship Contracting as quickly as possible, and report on progress in implementing the authorities. The BLM expects to provide the report in the Spring or Summer of 2004.

X. EMPLOYMENT TRENDS

The BLM's staffing has been increased an average of about 2% per year over the previous ten years. The BLM closely monitors workload estimates. The following chart shows the BLM staffing history.

BLM Staffing History
1995-2005 est.



EMPLOYEE COUNT BY GRADE

(Total Employment)

	2003 Actual	2004 Estimate	2005 Estimate
Executive Level V	1	1	1
Subtotal	1	1	1
ES – 5	3	3	3
ES – 4	2	2	2
ES – 3	6	6	6
ES – 2	3	3	3
ES – 1	8	8	8
Subtotal	23	23	23
GS/GM/GG/WB/WG/WL/WS – 15	105	109	102
GS/GM/GG/WB/WG/WL/WS – 14	331	338	329
GS/GM/GG/WB/WG/WL/WS – 13	931	935	931
GS/GM/GG/WB/WG/WL/WS – 12	1759	1760	1742
GS/GM/GG/WB/WG/WL/WS – 11	2648	2633	2630
GS/GM/GG/WB/WG/WL/WS – 10	298	301	302
GS/GM/GG/WB/WG/WL/WS – 9	1434	1411	1415
GS/GM/GG/WB/WG/WL/WS – 8	395	396	399
GS/GM/GG/WB/WG/WL/WS – 7	1329	1335	1345
GS/GM/GG/WB/WG/WL/WS – 6	771	775	779
GS/GM/GG/WB/WG/WL/WS – 5	983	989	991
GS/GM/GG/WB/WG/WL/WS – 4	699	701	706
GS/GM/GG/WB/WG/WL/WS – 3	354	355	358
GS/GM/GG/WB/WG/WL/WS – 2	137	140	143
GS/GM/GG/WB/WG/WL/WS – 1	29	29	30
Subtotal	12226	12230	12201
Other Pay Schedule Systems (Ungraded)	18	18	18
Total employment (actual/projected) at end of fiscal year	12244	12248	12219

XI. VEHICLE COST REDUCTIONS

According to recent Office of Management and Budget statistics, among civilian agencies Interior has the third largest motor vehicle fleet. Vehicles are used by Interior employees and authorized volunteers to support multiple mission activities, many in remote areas. In some locations, government vehicles are provided to support service contractors. Over 4,000 vehicles are used seasonally (i.e., only in winter or summer), or for special purposes, such as law enforcement or fire fighting. Nearly 90 percent of the fleet vehicles are trucks, vans, buses and ambulances, and 10 percent are sedans and station wagons.

In 2004, the Department and the bureaus began a collaborative effort to improve the management of vehicle fleets including examination of the infrastructure for fleet management within each bureau, the identification of best practices that could be used Department-wide, and the development of action plans to improve fleet management and realize cost savings.

In anticipation of improved fleet management and the resultant savings, the 2005 budget proposes a reduction in funding. To achieve these savings, the BLM will undertake fleet reductions and cost-savings by: (1) reducing the size of the fleet; (2) employing energy saving practices by fleet operators; (3) acquiring more efficient vehicles; (4) acquiring the minimum sized vehicle to accomplish the mission; (5) disposing of underutilized vehicles; (6) freezing the acquisition of vehicles from the General Services Administration Excess Vehicle program; and (7) exploring and developing the use of inter-bureau motor pools. BLM anticipates that it will reduce expenses by \$1,016,000. The 2005 request includes a proportionate reduction in each program.

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